

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of:                     )  
  )  
Business Meeting                     )  
  )  
\_\_\_\_\_ )

CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, AUGUST 27, 2008

10:00 A.M.

Reported by:  
John Cota  
Contract Number: 150-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Chairperson

James D. Boyd

Jeffrey D. Byron

Karen Douglas

Arthur H. Rosenfeld

STAFF and CONTRACTORS PRESENT

William Chamberlain, Chief Counsel

Claudia Chandler, Chief Deputy Director

Guido Franco

Mike Gravely

Harriet Kallemeyn, Secretariat

Chris Marxen

Christopher Meyer

Marla Mueller

Joe O'Hagan

Joanne Vinton

PUBLIC ADVISER

Elena Miller

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## P R O C E E D I N G S

10:02 a.m.

CHAIRPERSON PFANNENSTIEL: Good morning, we are going to begin. This is the Energy Commission biweekly Business Meeting. Please join me in the Pledge of Allegiance.

(Whereupon the Pledge of Allegiance was recited in unison.)

CHAIRPERSON PFANNENSTIEL: No changes to the published agenda today. We begin with the consent calendar. Is there a motion to approve the consent calendar?

COMMISSIONER ROSENFELD: I move the consent calendar.

COMMISSIONER BOYD: Second.

CHAIRPERSON PFANNENSTIEL: All in favor?

(Ayes.)

CHAIRPERSON PFANNENSTIEL: It is approved.

Item number 2, 2a, possible adoption of the Executive Director's data adequacy recommendation for GWF Energy LLC's Application for Certification of the GWF Tracy Combined Cycle power plant. Good morning.

MR. MEYER: Good morning, Commissioners.

1 Christopher Meyer, the staff's project manager for  
2 the GWF Tracy project.

3 GWF Tracy is going to be -- it's a  
4 proposed project to convert the existing peaker  
5 facility to a combined cycle by the addition of  
6 two HRSGs going into one steam turbine generator.

7 The staff reviewed the AFC and  
8 determined that the AFC is currently deficient in  
9 seven areas, being Air Quality, Biology, Cultural  
10 Resources, Paleontological Resources, Traffic and  
11 Transportation, Transmission System Design and  
12 Water Resources.

13 Last night we received a draft AFC  
14 Supplement from the Applicant and the staff has  
15 started its review this morning. At this point we  
16 are not ready to give sort of a prognosis on  
17 whether they will be ready for the next Business  
18 Meeting but we should know in the next few days if  
19 it is complete enough that they can file it  
20 officially.

21 CHAIRPERSON PFANNENSTIEL: Thank you,  
22 Mr. Meyer. So now we have in front of us an  
23 Executive Director's recommendation that it be  
24 found data inadequate. Is that correct?

25 MR. MEYER: That is correct. Thank you.

1                   CHAIRPERSON PFANNENSTIEL: Then is there  
2 a motion that we approve that recommendation?

3                   COMMISSIONER BYRON: I move we approve  
4 the recommendation for data inadequacy.

5                   COMMISSIONER DOUGLAS: I second it.

6                   CHAIRPERSON PFANNENSTIEL: All in favor?  
7 (Ayes.)

8                   CHAIRPERSON PFANNENSTIEL: Thank you.

9                   MR. MEYER: Thank you very much.

10                  CHAIRPERSON PFANNENSTIEL: Item number  
11 3, possible approval of Amendment 1 to Contract  
12 160-06-002 for a 9.5 month time extension; budget  
13 revision to correct hours and dollars allocated to  
14 each staff category; a revision to the scope of  
15 work to add more detail and definitions; and a  
16 revision to the terms of the contract to allow the  
17 contractor to engage the services of a  
18 subcontractor. Good morning.

19                  MS. VINTON: Good morning. I am Joanne  
20 Vinton, Transportation Division.

21                  For this contract SanDAG is updating  
22 their regional energy strategy and also writing a  
23 climate action plan. Along with that they are  
24 writing some how-to guides for other regional or  
25 local governments to write their own energy and

1 climate plans.

2 I am asking for this amendment because  
3 the SanDAG contract manager had to be out from  
4 work for several months and has not been able to  
5 complete the deliverables on time. There are no  
6 additional funds needed for this. If you have any  
7 questions.

8 CHAIRPERSON PFANNENSTIEL: I was in on  
9 the beginning of this contract and I am surprised  
10 that it is running late but I understand that it  
11 had to do with the contractor at SanDAG. So other  
12 than the 9.5 month extension everything else is as  
13 was originally contracted?

14 MS. VINTON: Yes.

15 CHAIRPERSON PFANNENSTIEL: Any other  
16 questions?

17 COMMISSIONER BOYD: While disappointed  
18 that we have to delay it I understand the  
19 reasoning. This has been explained to me in-depth  
20 so I move approval.

21 COMMISSIONER ROSENFELD: Second.

22 CHAIRPERSON PFANNENSTIEL: All in favor?

23 (Ayes.)

24 CHAIRPERSON PFANNENSTIEL: It is  
25 approved. Thank you.

1 MS. VINTON: Thank you.

2 CHAIRPERSON PFANNENSTIEL: Item 4, a  
3 possible approval of a \$366,081 loan to the Santa  
4 Maria-Bonita School District to install several  
5 energy efficiency projects, including lighting  
6 equipment, controls and refrigeration  
7 improvements. Good morning.

8 MR. HOLLAND: Good morning, Madame  
9 Chairman and Commissioners. I am Jim Holland from  
10 the Public Programs Office and I am here to  
11 request approval of a loan to the Santa Maria-  
12 Bonita School District. This school district is  
13 located in Santa Barbara County. The total loan  
14 amount is for \$366,081.

15 The projects will affect 18 district  
16 facilities and the projects include lighting  
17 upgrades, equipment controls and refrigeration  
18 improvements. These improvements are expected to  
19 save 818,466 kilowatt hours per year, 160 KW  
20 demand reduction, and will save \$120,237 per year,  
21 resulting in a simple payback of three years.  
22 With an estimated utility rebate of \$119,247, 33  
23 percent of the total project cost will be  
24 reimbursed through rebates.

25 These projects are estimated to reduce



1 the total carbon dioxide emissions by  
2 approximately 344 tons annually. This is the  
3 first loan to this school district. This loan  
4 meets the requirements of the loan program and has  
5 been approved by the Efficiency Committee.

6 Just as an example of some of the  
7 upgrades. The lighting upgrades include  
8 replacement of T-12 lamps and magnetic ballasts  
9 with T-8 lamps and electronic ballasts,  
10 replacement of fluorescent exit signs with LED  
11 exit signs. Equipment controls include occupancy  
12 sensors for the classrooms. And refrigeration  
13 equipment includes strip curtains for walk-in  
14 refrigeration.

15 So I request approval of this loan and I  
16 am open for any questions you may have.

17 CHAIRPERSON PFANNENSTIEL: Thanks, Jim.  
18 How are we doing on this fund? Are we about out  
19 of money for the loans?

20 MR. HOLLAND: Madame, we have a total of  
21 approximately \$20 million still and that includes  
22 principal and interest for the entire program.

23 CHAIRPERSON PFANNENSTIEL: Okay, that's  
24 good. Any other questions?

25 COMMISSIONER BYRON: No. I think this

1 one is a no-brainer. I mean, it's got a great  
2 three year payback. I was curious if there's  
3 anything unique about it but I suspect maybe being  
4 some of their first energy efficiency upgrades  
5 that there's lots of low-hanging fruit at this  
6 district.

7 COMMISSIONER ROSENFELD: Jim, I was also  
8 I think not listening carefully. It's a three  
9 year payback after the loan from the utility?

10 MR. HOLLAND: No sir.

11 COMMISSIONER ROSENFELD: The whole --

12 MR. HOLLAND: The three year payback is  
13 prior to the rebate. And the reason there is such  
14 a short payback period is a few of the projects  
15 have one- to two-year paybacks. And that includes  
16 -- The vast majority of the project costs are for  
17 computer power management and that alone has an  
18 approximately two year payback with annual cost  
19 savings of \$58,000. So that greatly reduces the  
20 payback period, as do the strip curtains which  
21 have a 1.3 year payback. And the vending-misers,  
22 the vending machine occupancy sensors, which have  
23 a 1.2 year payback. So all combined the three  
24 years is not reflective of much of the shorter  
25 payback periods of some of the projects that are

1 going on.

2 COMMISSIONER ROSENFELD: It's sort of  
3 scandalous isn't it that there's all that stuff  
4 out there which it takes our incentives to get  
5 them to think about. But it's wonderful, okay.

6 COMMISSIONER BYRON: I'll move it.

7 COMMISSIONER ROSENFELD: I'll second it.

8 CHAIRPERSON PFANNENSTIEL: All in favor?

9 (Ayes.)

10 CHAIRPERSON PFANNENSTIEL: It's  
11 approved. Thank you, Jim.

12 MR. HOLLAND: Thank you very much.

13 CHAIRPERSON PFANNENSTIEL: Item 5,  
14 possible approval of up to \$30,000 allocated under  
15 Work Authorization MR-026, Contract 500-02-004,  
16 for the Energy Commission's Energy and Air Quality  
17 Research Conference. Good morning.

18 MS. MUELLER: Good morning. I am Marla  
19 Mueller with the PIER program.

20 The purpose of the Energy and Air  
21 Quality Conference is to present recent research  
22 findings to help inform decision-making. The  
23 conference is geared towards managers of energy  
24 and air quality regulatory agencies as well as  
25 researchers and industry representatives.

1                   Funding for this conference would be  
2                   from registrations, co-sponsorships and no more  
3                   than \$30,000 of the money already allocated in  
4                   Work Authorization MR-026.

5                   The PIER Environmental Area Program  
6                   addresses the important issues of energy and air  
7                   quality through improved research tools and  
8                   innovative techniques. The conference addresses  
9                   electricity, natural gas and transportation.

10                  Two years ago the PIER Air Quality  
11                  Program hosted the California Electricity and Air  
12                  Quality Conference. That conference was also co-  
13                  sponsored by the Air Resources Board, the Bay Area  
14                  Air Quality Management District and the South  
15                  Coast Air Quality Management District. That  
16                  conference was well-attended and distributed  
17                  information on the PIER environmental areas of  
18                  electricity and air quality-funded research and  
19                  results.

20                  The California Energy and Air Quality  
21                  Conference will provide a forum for distributing  
22                  information on research and results developed  
23                  since the last conference. Thank you.

24                  CHAIRPERSON PFANNENSTIEL: Thank you.  
25                  Are there questions or discussion?

1 COMMISSIONER ROSENFELD: I move the  
2 item.

3 COMMISSIONER BOYD: I'll second.

4 CHAIRPERSON PFANNENSTIEL: All in favor?  
5 (Ayes.)

6 CHAIRPERSON PFANNENSTIEL: Approved.  
7 Thank you.

8 Item 6. Possible approval of Contract  
9 500-08-006 for \$2,394,375 with the Regents of the  
10 University of California, Office of the President,  
11 to fund the center for the Study of Energy Markets  
12 at the UC Energy Institute. Good morning,  
13 Mr. Gravely.

14 MR. GRAVELY: Good morning. I'm Mike  
15 Gravely from the Commission R&D Division. And I  
16 am here today to request approval for the Center  
17 for the Study of Energy Markets. This effort will  
18 conduct research on the dynamics of natural gas  
19 and electricity markets and then transfer that  
20 knowledge gained through a series of technical  
21 papers, presentations and conferences.

22 This is actually the third effort in a  
23 series. We had two previous that go back to 2001  
24 and they were grants. This one here will be an  
25 actual contract. And we, the staff, have been

1 very happy with the performance over the last  
2 seven years of this effort and look forward to the  
3 future effort.

4 Research in this going forward will  
5 follow six general areas: The adequacy and  
6 reliability of the supply of California electric  
7 and natural gas markets, demand response, the  
8 interaction of the transmission network and market  
9 performance, implementation of competitive  
10 policies around the world, competition policies  
11 for energy around the world, interaction of  
12 environmental regulations with the energy markets,  
13 and influencing factors of pricing for refined  
14 petroleum products and their alternatives in  
15 California.

16 The efforts for this contract actually  
17 are over-viewed on an annual basis by an advisory  
18 committee that involves the Energy Commission, the  
19 PUC and the ISO. And I'll be glad to answer any  
20 questions I can today.

21 CHAIRPERSON PFANNENSTIEL: Thank you,  
22 Mike. Commissioners, before we take this one up  
23 on its merits. There may be some discussion about  
24 the merits of the contract.

25 I would just like to note that these are

1 the last few days of the legislative session. And  
2 still being considered is legislation that would  
3 move a large chunk, and it goes from either large  
4 to enormously large chunk of PIER money to the UC.  
5 And that will be decided I think within the next  
6 couple of days.

7           Given that and given that this is a good  
8 size contract, it might be worth holding this  
9 until our next meeting to see what happens with  
10 the legislation. If in fact we end up sending a  
11 large stream of the PIER dollars directly to UC it  
12 may mean that we will have to re-prioritize some  
13 of our PIER work. And we are not sure now much or  
14 what the PIER work will be or where this kind of  
15 contract would fall out.

16           But I do think given the uncertainty  
17 right now of the PIER program. I note that the  
18 next two items on the agenda are also PIER  
19 electricity funding. Those are smaller contracts  
20 so may not, in fact, feel sort of the same issue.  
21 But I do feel that this one especially may be  
22 something that we should hold to see where we are  
23 when the Legislature has completed its work.  
24 Which we may know next time. Clearly the  
25 Legislature will be finished next time but then,

1 of course, it goes to the Governor's desk.

2 So I would recommend that we hold it but  
3 I am certainly open for other discussion of that.  
4 No further discussion?

5 COMMISSIONER BYRON: I hadn't really  
6 considered this, Madame Chairman. I think it's a  
7 really good idea. I have to tell you, though, I  
8 am very much in favor of this work. I have  
9 certainly benefited from it and also have attended  
10 some of the conferences since I've been here. But  
11 i think what you are making is a prudent  
12 suggestion and I have no difficulty with the  
13 delay.

14 CHAIRPERSON PFANNENSTIEL: Anything  
15 else?

16 COMMISSIONER ROSENFELD: Well I would  
17 just comment this is, of course, part of a larger  
18 problem. I think I count eight centers like CSEM  
19 which we support. There's going to have to be a  
20 wholesale discussion of moving centers to UC or  
21 not moving centers and moving other projects.

22 CHAIRPERSON PFANNENSTIEL: Yes, exactly.  
23 All right, so we will hold this one until a future  
24 Business Meeting when that question has been  
25 resolved. So thank you, Mr. Gravely.



1 MR. GRAVELY: Okay.

2 CHAIRPERSON PFANNENSTIEL: Item 7,  
3 possible approval of Contract 500-08-005 for  
4 \$300,000 with the Regents of the University of  
5 California at Davis to expand and enhance CALVIN,  
6 a water resources management tool. Mr. Franco.

7 MR. FRANCO: Good morning,  
8 Commissioners. My name is Guido Franco, I am with  
9 the Public Interest Energy Resource program. I am  
10 here to ask you to approve an interagency  
11 agreement, a contract, with the University of  
12 California at Davis to improve the CALVIN model.  
13 The CALVIN model is an engineering/economic model  
14 for the entire water system in California,  
15 including hydro-generation.

16 The researchers at Davis will do several  
17 things including updating the CALVIN model with  
18 the most recent data sets available. They would  
19 also create a special module to track the energy  
20 consumed and generated in the water sector. This  
21 is important because the water sector is an  
22 important consumer and a source of energy in  
23 California.

24 Future adaptations and studies using  
25 CALVIN will provide information about the energy

1       implications of different adaptation strategies  
2       being considered in the water sector. With that I  
3       am ready to answer any questions that you may  
4       have.

5               CHAIRPERSON PFANNENSTIEL: Thank you.  
6       Should we consider this one held as well for the  
7       next time? Discussion?

8               COMMISSIONER DOUGLAS: I would support  
9       doing that. I'll point out that the specific  
10      topic of this one is climate and that's the focus  
11      of the legislation.

12              CHAIRPERSON PFANNENSTIEL: Yes,  
13      precisely, thank you. So this is the kind of work  
14      that probably we would not be doing in the future,  
15      it would go to the UC. Thank you. So we are  
16      going to hold this one.

17              MR. FRANCO: Okay.

18              CHAIRPERSON PFANNENSTIEL: Item 8,  
19      possible approval of Work Authorization MRA-02-078  
20      for \$397,000 under Contract 500-02-004 with the  
21      Regents of the University of California, Office of  
22      the President/CIEE. Good morning.

23              MR. O'HAGAN: Good morning,  
24      Commissioners. My name is Joe O'Hagan, I'm in the  
25      Environmental Area in the R&D Division.

1           The proposed Work Authorization before  
2   you is to fund research looking at the effects of  
3   agricultural cropping systems changing in  
4   California due the desire to grow biofuel feed  
5   stock here in California. As you all appreciate  
6   there's a lot of incentives for us to grow much  
7   more of our own biofuel feed stock within the  
8   state and such there's going to be changes in the  
9   agricultural cropping system of the state.

10           The proposed project would take regional  
11   models being developed under an existing Energy  
12   Commission grant that is an optimization model  
13   that looks at economic factors, soil, water  
14   availability, and crop requirements such as  
15   seasonal length, temperature tolerances and things  
16   like that. And developed models for much of the  
17   Central Valley, the Inter-Mountain areas such as  
18   the Salinas Valley, the Imperial Valley.  
19   Certainly for the Delta as well. And identify  
20   potential biofuel crops that will be grown that  
21   aren't being grown now.

22           This information will be taken by the  
23   researchers and used with wildlife database  
24   information on distribution of critical wildlife  
25   species to identify potential effects, beneficial

1 or negative on these species from the biofuel crop  
2 development. The researchers will also take a  
3 look at water requirements, comparing it with  
4 existing water demand for the existing  
5 agricultural system as in how potential biofuel  
6 development would affect that.

7 CHAIRPERSON PFANNENSTIEL: Thank you,  
8 Mr. O'Hagan. Again I would recommend that we hold  
9 this one for two weeks. Discussion?

10 COMMISSIONER BYRON: No objection here.

11 CHAIRPERSON PFANNENSTIEL: No objection?  
12 All right, we'll hold it. Thank you.

13 MR. O'HAGAN: Thank you.

14 CHAIRPERSON PFANNENSTIEL: Moving then  
15 on to the minutes. We have minutes from May 21,  
16 which I understand we have not yet approved. But  
17 Harriet tells me we need Commissioner Rosenfeld,  
18 Commissioner Boyd and myself for these minutes.

19 COMMISSIONER BOYD: Move approval of the  
20 May 21 Minutes.

21 COMMISSIONER ROSENFELD: Second.

22 CHAIRPERSON PFANNENSTIEL: All in favor?

23 (Ayes.)

24 CHAIRPERSON PFANNENSTIEL: Those are  
25 approved, Harriet, thank you.

1                   Possible approval of the August 13  
2   Business Meeting Minutes.

3                   COMMISSIONER BOYD:   Move approval.

4                   COMMISSIONER ROSENFELD:   Second.

5                   CHAIRPERSON PFANNENSTIEL:   All in favor?

6                   (Ayes.)

7                   CHAIRPERSON PFANNENSTIEL:   Approved.

8                   Commissioner Discussion.   Anything to  
9   raise?   Does anybody have any -- Yes, Commissioner  
10   Byron.

11                  COMMISSIONER BYRON:   I think I am doing  
12   this on behalf of the IEPR Committee, although it  
13   is probably on behalf of the entire Commission.   I  
14   would like to bring up a topic I believe you are  
15   all aware of.   July 18 PG&E filed an application  
16   before the Public Utilities Commission for  
17   expedited approval of the Tesla Generating  
18   Station.

19                  Many of you probably recall this  
20   Commission granted a license to a wholly owned  
21   subsidiary of FPL Energy back on June 16 of 2004  
22   for construction of that plant.   And I'm sure as  
23   much as we would like to see some of the backlog  
24   of licensed power plants by this Commission built,  
25   this particular one is another egregious example

1 of an IOU circumventing a competitive procurement  
2 process for wholesale electricity.

3 So in order to meet the PUC's deadline  
4 of getting information into the record by August  
5 20 this Commission sent a letter to President  
6 Peevey with our objections.

7 We normally have some public discussion  
8 on this issue, on these kinds of issues, and this  
9 time time did not allow for that. So I want to  
10 take this opportunity to bring the subject up so  
11 that if my fellow commissioners had any other  
12 comments they wished to make they could do so.  
13 I'll stop there.

14 CHAIRPERSON PFANNENSTIEL: Comments?  
15 Commissioner Boyd.

16 COMMISSIONER BOYD: I would only comment  
17 that I had several discussions with Commissioner  
18 Byron about this subject and was intimately  
19 familiar with the issue and definitely supported  
20 the sending of the letter, which I was glad to see  
21 sent. So I have no additional questions. I would  
22 like to see this issue discussed in-depth in the  
23 not-to-distant future.

24 CHAIRPERSON PFANNENSTIEL: And it is  
25 timely because we have been looking at the

1 procurement process in the IEPR, in the  
2 procurement process. Both in terms of renewable  
3 procurement but also of conventional procurement.  
4 And asking whether this is a process that is  
5 fundamentally working given the results that we  
6 are seeing. So I think we sent the letter to  
7 encourage the PUC to adhere to the process without  
8 prejudging this project or any other but that they  
9 do have a process and we want to see that process  
10 honored.

11 Speaking of processes though I would  
12 point out that the Energy Commission needs to see  
13 this project again because they need to come to us  
14 for an approval of the change of ownership as well  
15 as, I understand, some further modifications of  
16 the license conditions. So we will see it here  
17 also. They have not yet filed for that and for  
18 the change of ownership. I don't know when that  
19 will happen. But one assumes that they can't go  
20 forward with the PUC procurement or contract  
21 through the PUC unless they have come here in  
22 addition. So it comes back to us.

23 Thank you Commissioner Byron? Any  
24 other?

25 COMMISSIONER DOUGLAS: I want to say

1       that I also had the opportunity to review a couple  
2       of drafts of the letter and discussed the contents  
3       with Commissioner Byron and others. I support  
4       sending the letter and am glad we took that  
5       action.

6               CHAIRPERSON PFANNENSTIEL: Great. We'll  
7       see what happens next.

8               COMMISSIONER BYRON: I'll add one more  
9       thing if I may.

10              CHAIRPERSON PFANNENSTIEL: Of course.

11              COMMISSIONER BYRON: We don't know the  
12       schedule for this. I should, but I don't follow  
13       the PUC's process closely enough to know all the  
14       deadlines. I suspect they will be making a  
15       decision on this quickly because the utility has  
16       requested an expedited review.

17              I point back to the fact that there have  
18       been a number of these in the past. Our letter  
19       indicates at least four or five other unique  
20       opportunities by investor-owned utilities. At  
21       this time we haven't done the analysis but I think  
22       there's an inordinate number of gas-fired plants,  
23       both in PG&E's and I believe Southern California's  
24       service territories, are under the jurisdiction of  
25       utility ownership now. I think it's almost 65



1       percent in PG&E's service territory of all new  
2       plants being built are in their ownership.

3               So the concerns are upon us now and we  
4       are very hopeful that the PUC will take very  
5       aggressive action here to put a stop to this  
6       circumvention of the procurement process for  
7       wholesale electricity.

8               COMMISSIONER BOYD:   Well Commissioner  
9       Byron, now that you say that it does raise a  
10      bigger question.   I am just wondering what kind of  
11      forum might exist for us to discuss the question.  
12      Maybe it is or maybe it isn't the regular meetings  
13      or the irregular meetings we have with the CPUC on  
14      our Energy Action Plan.

15              But we seem to be sliding in without  
16      much policy oversight to significant modifications  
17      to most people's view of what the hybrid  
18      electricity system is going to be.   And at a time  
19      when we have licensed so many power plants that  
20      are going nowhere and yet to have these other  
21      confusing signals sent about ownership, it does  
22      raise a question about who is overseeing the  
23      ultimate design of our electricity system.   And it  
24      needs an airing.   Maybe the meeting, the joint  
25      meeting is a forum, maybe it is not, but I would

1 suggest it as a possibility.

2 COMMISSIONER BYRON: Okay.

3 CHAIRPERSON PFANNENSTIEL: And certainly  
4 we can take our part of it through the IEPR and do  
5 our analysis. And I think I know that all  
6 Commissioners are interested and would encourage  
7 all Commissioners to participate in the IEPR as we  
8 look at that subject.

9 COMMISSIONER BYRON: And of course it is  
10 not a new subject.

11 CHAIRPERSON PFANNENSTIEL: Right.

12 COMMISSIONER BYRON: We quote from the  
13 '05 IEPR with regard to recommendations on this  
14 issue in the letter. And the IEPR Committee in  
15 the '08 Update will be making some recommendations  
16 for your review.

17 COMMISSIONER BOYD: I still have '05 ink  
18 on my hands.

19 CHAIRPERSON PFANNENSTIEL: Okay, thank  
20 you. Other subjects?

21 Chief Counsel Report, Mr. Chamberlain.

22 MR. CHAMBERLAIN: Thank you, Madame  
23 Chairman. I have been away for two weeks at a  
24 WECC Board Meeting.

25 CHAIRPERSON PFANNENSTIEL: Welcome back.

1                   MR. CHAMBERLAIN: Thank you. And then  
2 also hiking in the mountains the last week so I  
3 have no report today.

4                   CHAIRPERSON PFANNENSTIEL: Thank you.

5                   COMMISSIONER BOYD: That was cool.

6                   CHAIRPERSON PFANNENSTIEL: Executive  
7 Director Report.

8                   MS. CHANDLER: I have no report today.

9                   CHAIRPERSON PFANNENSTIEL: Thank you,  
10 Claudia.

11                  Leg Director Report, Mr. Marxen.

12                  MR. MARXEN: Good morning, Madame Chair  
13 and fellow Commissioners. I would just like to  
14 give you an update of the numbers of bills that we  
15 are currently tracking and an update of what has  
16 happened since we had our last Business Meeting.

17                  Since we had our last Business Meeting  
18 five of our priority bills have gone to the  
19 Governor's Office. We currently are tracking  
20 somewhere between 17 and 20 bills that impact the  
21 Energy Commission. At this point in time we have  
22 identified seven that have what we feel is a high  
23 probability of being passed out of the Legislature  
24 to the Governor. As you all know the legislative  
25 session ends at the end of this week and so things

1 are going to be changing rapidly between now and  
2 then. And that's my report.

3 CHAIRPERSON PFANNENSTIEL: Mr. Marxen,  
4 the Legislature adjourns on Sunday. Is that the  
5 31st?

6 MR. MARXEN: That's correct.

7 CHAIRPERSON PFANNENSTIEL: So they will  
8 work straight through until midnight Sunday night?

9 MR. MARXEN: Yes, that's correct.

10 CHAIRPERSON PFANNENSTIEL: That's  
11 expected. And then without a budget presumably  
12 they will stay in town until a budget is passed?

13 MR. MARXEN: That's correct. They meet  
14 in a special session.

15 CHAIRPERSON PFANNENSTIEL: Although  
16 somebody said that if it is a budget process they  
17 don't have to call a special session, it just is  
18 automatic that they need to stay until the budget  
19 is passed. But if the Governor wants he may call  
20 a special session besides that. This is what I am  
21 trying to determine.

22 MR. MARXEN: I don't have any  
23 clarification on that.

24 CHAIRPERSON PFANNENSTIEL: All right. I  
25 think it's a pretty murky area. Nobody knows for

1       sure what they can do.

2               MR. MARXEN: I don't think it's ever  
3       happened before. I think I heard on the radio  
4       that this may be the latest budget ever.

5               CHAIRPERSON PFANNENSTIEL: And we still  
6       don't have one yet. Thank you.

7               MS. CHANDLER: Madame Chair.

8               CHAIRPERSON PFANNENSTIEL: Yes,  
9       Ms. Chandler.

10              MS. CHANDLER: My Chief Counsel told me  
11       that I need to ask for Executive Session today to  
12       cover a personnel issue. So if we may.

13              CHAIRPERSON PFANNENSTIEL: Thank you.

14              Public Adviser Report. Ms. Miller.

15              MS. MILLER: I just want to say that we  
16       have hired a new student, Brenda Sotelo, so I want  
17       to welcome her to the Commission. This is her  
18       first opportunity to see the Commissioners, today,  
19       and we are really happy to have her.

20              And I just want to say briefly that I  
21       have been the last day and a half working with  
22       community leaders and activists in the Chula Vista  
23       case and I will be going down there. So I am  
24       happy to report that I have made those contacts.  
25       And they have been responsive and happy that there

1 is a new Public Adviser.

2 CHAIRPERSON PFANNENSTIEL: On behalf of  
3 the Chula Vista Committee we are delighted that  
4 you have done that.

5 COMMISSIONER BOYD: Here, here.

6 CHAIRPERSON PFANNENSTIEL: Thanks very  
7 much.

8 MS. MILLER: That's all I have, thank  
9 you.

10 CHAIRPERSON PFANNENSTIEL: Thank you.

11 Any public comment? I see --

12 COMMISSIONER BOYD: A public. Perennial  
13 public.

14 CHAIRPERSON PFANNENSTIEL: Only our  
15 favorite public of Mr. Alvarez who has come to  
16 keep us company.

17 With that we will adjourn to my office  
18 for an Executive Session. Thank you.

19 (Whereupon, at 10:37 a.m., the  
20 Business Meeting was adjourned.)

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## CERTIFICATE OF REPORTER

I, JOHN COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of September, 2008.

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